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Marc Erik Elias
MElias@perkinscoie.com
D. +1.202.434.1609
F. +1.202.654.9126

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OFFICE OF
GENERAL COUNSEL

Dear Mr. Jordan:

We write as counsel to Friends of Gina Raimondo (the “*Campaign*”) and the Providence Democratic City Committee (the “*PDCC*”), in response to the complaint (the “*Complaint*”) filed by the Rhode Island Republican State Central Committee (the “*Complainant*”) on March 13, 2018. The Complaint incorrectly alleges that the Mutual Support Agreement (the “*MSA*”) between Friends of Gina Raimondo and the Providence Democratic City Committee constitutes “joint fundraising” pursuant to 11 C.F.R. § 102.17. Accordingly, the Complaint fails to allege any violation of the Federal Election Campaign Act of 1971, as amended (the “*Act*”) or any Federal Election Commission (the “*FEC*” or “*Commission*”) regulation and should be dismissed.¹

In January 2018, the PDCC entered into an MSA with the Campaign. The purpose of the MSA (which is attached to the Complaint as Exhibit B) was straightforward: to assist the PDCC in raising funds for and executing a coordinated campaign on behalf of Democratic candidates. The MSA set forth the basic legal and operational protocols for how such a campaign could operate:

- The PDCC would establish segregated bank accounts and deposit funds into segregated bank accounts to comply with federal and state law;
- The PDCC (through its then-Chair) would have exclusive and plenary authority to spend, transfer, and otherwise disburse funds from the three accounts;

Perkins Coie LLP

Jeff S. Jordan

May 3, 2018

Page 2

- The PDCC would collaborate with the Campaign to develop a budget for the coordinated campaign, to ensure that the coordinated campaign reflected the insights of an organization that had successfully prevailed in two statewide races, in 2010 and 2014;
- The PDCC would not permit donors to earmark funds on behalf of any particular candidate.

Notably, the MSA deals only with how the PDCC – a single entity – would raise and spend funds, and how the Campaign might assist the PDCC in raising funds to support PDCC programs. The Agreement does not contemplate that the PDCC and Campaign would raise funds jointly or that the Campaign would receive any of the fundraising proceeds. Quite the contrary, in fact: the MSA makes clear that the Campaign has no access to or control over any of the funds raised by the PDCC pursuant to the MSA. So far, no funds have been raised pursuant to the MSA.

LEGAL ANALYSIS

Complainant alleges that the activities contemplated by the MSA constitute “joint fundraising” under FEC regulations and therefore required the participants to comply with the registration and reporting obligations set forth in 11 C.F.R. § 102.17. FEC regulations prescribe certain registration and reporting requirements when a federally-registered committee engages in “joint fundraising with other political committees or with unregistered committees or other organizations.” 11 C.F.R. § 102.17(a)(1).

“Joint fundraising” is not specifically defined; but the regulation makes clear that the prerequisite to its existence is the solicitation of funds *for more than one entity*. See *id.* § 102.17(c)(1) (requiring written agreement to “state a formulation for the allocation of fundraising proceeds” and that “[t]he formula shall be stated as the amount or percentage of each contribution received to be allocated to each participant”); § 102.17(c)(2) (requiring joint fundraising notice to include “[t]he allocation formula to be used for distributing joint fundraising proceeds” and “[a] statement informing contributors that, notwithstanding the stated allocation formula, they may designate their contributions for a particular participant or participants.”). Fundraising *for only one entity* is not “joint fundraising” even if other persons or entities assist in the solicitation of funds.

That is precisely what happened here. The MSA contemplates that Governor Raimondo and the Campaign would help raise funds for the PDCC. But as stated above, the MSA does not contemplate that the PDCC and Campaign would raise funds jointly or that the Campaign would be entitled to receive any of the fundraising proceeds. In other words, the sole “participant” in this fundraising effort was the PDCC. Because the Campaign was not a participant within the

Jeff S. Jordan
May 3, 2018
Page 3

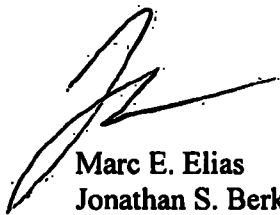
meaning of 11 C.F.R. § 102.17, no "joint fundraising" occurred and there was no obligation to comply with the registration, reporting, and other requirements of 11 C.F.R. § 102.17.

Finally, to the extent that Complainant alleges that a party committee engaging in fundraising for its federal and nonfederal accounts must register a joint fundraising committee, that allegation is belied by FEC regulations, FEC Form 3X, and the FEC's guidance. FEC regulations specifically prescribe how state and local party committees must allocate and report expenses when they raise funds for their federal and nonfederal accounts. See 11 C.F.R. §§ 102.5(a)(1)(i), 106.7(d)(4). These regulations do not require the establishment of a joint fundraising committee for a single party committee's federal/nonfederal fundraising. The FEC's guidance also confirms that such reporting should take place on Schedule H of Form 3X, not via a separate joint fundraising committee. See <https://www.fec.gov/help-candidates-and-committees/making-disbursements-political-party/raising-funds-federal-and-nonfederal-party-committee-accounts/>.

Simply put, the MSA sets forth protocols for how a single entity – the PDCC – will raise funds. It does not describe or contemplate joint fundraising by more than one participant. Accordingly, no activity undertaken under the MSA would trigger any registration, reporting, or other obligations under 11 C.F.R. § 102.17.

But even if the Commission disagreed with the above analysis—and concluded that fundraising activity under the MSA would trigger registration or reporting obligations—the PDCC has not yet raised any funds under the agreement. Because no fundraising activity has occurred, no reporting obligations could have been triggered, and no violation of any Act or Commission regulation could have taken place. The Commission should immediately dismiss the Complaint and close the file.

Very truly yours,



Marc E. Elias
Jonathan S. Berkon
Elizabeth P. Poston
Counsel to Friends of Gina Raimondo and Providence Democratic City Committee